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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001492

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E.O. 12958: DECL: 05/01/2016 TAGS: <u>PREL PGOV ASEC XR TW</u>

SUBJECT: PRC-VATICAN RELATIONS: TAIWAN INCREASINGLY

CONCERNED

REF: TAIPEI 0648

Classified By: AIT Deputy Director David J. Keegan, Reason 1.4 (b/d)

11. (C) Summary: Recent conciliatory statements by Vatican and PRC officials have increased Taipei's anxiety that its diplomatic ties with the Holy See are in jeopardy. Taiwan officials say they have no influence over the Vatican and appealed to the USG for assistance and information on the status of its standing with the Holy See. Vatican officials in Taipei contend that the Holy See is now ready to enter into an "official dialogue" to eventually establish diplomatic ties with Beijing, but complain the media is fueling speculation on PRC-Vatican talks. End summary.

PRC-Vatican Ties Moving Forward?

- 12. (C) In recent weeks Vatican and PRC officials have made mutually conciliatory statements, suggesting that both sides are willing to take steps to move towards normalizing ties. PRC State Bureau of Religious Affairs Director Ye Xiaowen stated publicly in April that Beijing "can establish diplomatic relations with the Vatican very soon" if the PRC and Holy See can reach an agreement over the selection of Bishops. Yen added that the PRC and Holy See had been in "continuing contact," but he admitted it was difficult to set a timetable for normalizing ties.
- 13. (C) Vatican Foreign Minister Archbishop Giovanni Lajolo in late March told the press that the "time is ripe" for the Holy See and Beijing to establish diplomatic relations. Lajolo confirmed the Holy See is ready to move its embassy from Taiwan and added that the Vatican had already communicated to the PRC and Taiwan its wish to move to Beijing. Even Hong Kong's outspoken PRC critic Cardinal Zen stated he was certain a formula could be found to overcome PRC-Vatican differences and stressed the importance of continuing contact with Beijing. Taipei, he added, was "psychologically preparing" for a change in its status with the Vatican.

Vatican Ready For Dialogue

 $\P4$. (C) Vatican officials in Taipei told AIT that the Holy See

is ready to enter into an official dialogue with Beijing to establish diplomatic relations. Vatican Charge d' Affairs in Taipei, Monsignor Ambrose Madtha, explained that it has long been the Vatican's policy to recognize the PRC. The Holy See, he said, is in the process of taking "a step forward," but he asserted there is no timeframe or roadmap on when the Vatican and Beijing will establish diplomatic ties. Madtha complained that the media's constant speculation is detrimental to any dialogue and press reports have greatly exaggerated Holy See-Beijing efforts to establish a dialogue. Cardinal Zen, Madtha noted, has also helped drive media speculation with his frequent public commentary.

Taiwan's Anxiety Increasing

- 15. (C) The recent public statements by PRC and Vatican officials have increased Taiwan's anxiety over the state of its ties with the Vatican. Ministry of Foreign Affairs (MOFA) Director-General for Europe Larry Wang told AIT that the statements were very alarming and suggested the Vatican might first recognize the PRC and then try to work with Beijing to resolve their differences. Wang said the issue is receiving the full attention of the government, and President Chen Shui-bian is personally following the Vatican-PRC situation closely. President Chen, he noted, believes the loss of the Vatican, Taiwan's only diplomatic partner in Europe, would damage Taiwan's international image and constitute a substantial victory for Beijing.
- 16. (C) Taiwan officials concede that if the PRC and Vatican are ready to begin talks on formal ties, there is little Taipei can do to influence the outcome, and it is only a

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matter of time before the Holy See abandons Taiwan (reftel). MOFA's Wang said that the Vatican is not listening to Taiwan and has already made it clear it will switch ties. Taiwan, he told AIT, is looking to the USG for assistance. Wang then asked if Washington had any information on what the Vatican is planning and stated that Taipei hopes the USG will assist Taiwan in its efforts to stabilize Taipei's relationship with the Holy See.

Comment: On the Sidelines

17. (C) It is clear that Taiwan is on the sidelines watching the Vatican-PRC dialogue. Taipei realizes the Holy See is largely a symbolic diplomatic partner, but Taiwan officials are most concerned about the international and political consequences of a Vatican switch. Taipei is barely hanging on to diplomatic partners in Central America and the South Pacific. The Presidential Office fears that if Taiwan losses the Vatican, other nations might follow, which would have dire consequences for Taiwan's "international space" abroad and President Chen's political standing at home.